

STATE OF MAINE
DEPARTMENT OF MARINE RESOURCES
Aquaculture Lease Renewal Application

Cooke Aquaculture USA, Inc.
Lease MACH II
Docket # 2012-10-R
July 29, 2013

FINDINGS OF FACT, CONCLUSIONS OF LAW, & DECISION

On January 13, 2012, the Department received an application from Cooke Aquaculture Inc., to renew its aquaculture lease for 40 acres for pen culture of Atlantic salmon (*Salmo salar*) and blue mussel (*Mytilus edulis*) located northeast of Starboard Island, Machias Bay, Machiasport, Washington County, Maine. This lease was originally issued to Atlantic Salmon (Maine), Inc. for pen culture of Atlantic salmon on April 30, 1992. Atlantic Salmon (Maine), Inc. transferred the lease to Atlantic Salmon of Maine Limited Liability Company (ASM) on March 21, 1995 under the same terms, conditions, and obligations set forth in the original lease. ASM renewed the lease on April 30, 2002 for a period of 10 years, and the Department authorized the addition of blue mussels to the lease on April 6, 2007. On July 6, 2011, ASM transferred the lease to Cooke Aquaculture USA, Inc. under the same terms, conditions, and obligations as the transferred lease.

1. PROCEDURE

Notice of the application for lease renewal and the 30-day public comment period and opportunity to request a public hearing was published in the *Machias Valley News Observer* on November 14, 2012 and in the *Commercial Fisheries News* February, 2013 edition. Personal notice was given to the municipality and to riparian landowners within 1,000 feet of the lease. No comments and no requests for a hearing on this application were received by the Department during the comment period.

2. STATUTORY CRITERIA

Applications for aquaculture lease renewals are governed by 12 M.R.S.A. §6072(12) and by Chapter 2.45 of the Department's rules, which provide that an aquaculture lease shall be renewed if: the lessee has complied with the lease agreement during its term; the Commissioner determines that renewal of the lease is in the best interest of the state; the renewal will not cause the lessee to be a tenant of any kind in leases covering an aggregate of more than 1,000 acres; and the lease is not being held for speculative purposes.

A. Compliance with lease

My review of the records of this lease discloses that all annual reports have been filed, the rent is paid to date, the bond is current, and the site has passed inspection by DMR Marine Patrol. There are no outstanding complaints regarding this lease.

Therefore, I find that the applicant has complied with the lease agreement during its term.

B. Best interest of the State of Maine

In determining whether it is in the best interest of state to renew the lease, the Department takes into consideration, among other things, the potential for conflict with other new or existing uses of the area which the Commissioner determines to be a higher use of the area from the perspective of the public interest. There is no evidence of conflicts with other new or existing uses of the area.

Therefore, I find that it is in the best interests of the State of Maine to renew this lease.

C. Aggregate lease holdings

DMR records show that this applicant holds an aggregate of 609.71 acres of aquaculture leases comprised of the following leases: COB BC (45), COB BP (33), COB CC (15), COB DC (25), COB HP (10), COB JK (22), COB LU2 (32.14), COB MI2 (30), COB PC (26.5), COB RN2 (32.14), COB SB (31.88), COB TE (15), COB TW (15), EASTW SCN (10), EASTW SI (10), MACH CI2 (44.7), MACH CIN (35), MACH CW2 (35), MACH II (40), MACH LI (20), MACH ST (10), SWAN BI (15), SWAN BIS (38.5), SWAN HS (18.85).

Therefore, I find that the renewal of this lease will not cause the applicant to lease more than 1,000 acres.

D. Speculative purposes

In determining whether the lease is being held for speculative purposes, the Department considers whether substantially no aquaculture or research has been conducted on the lease site. The applicant has used the site fully over the lease term with rotational stocking, harvesting, and fallowing practices consistent with standard salmon aquaculture management. This information was included in the annual reports Cooke filed with the Department and by the statement of the lessee on the renewal application.

Therefore, I find that the lease is not being held for speculative purposes.

3. OTHER ISSUES

Lease Conditions

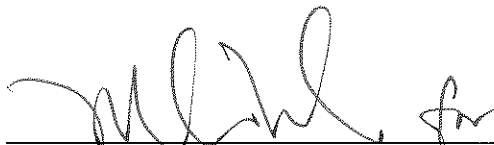
The following conditions are carried over from the original lease and will apply to the renewed lease:

1. Lobstering is to be allowed in the open areas of the lease site.
2. The lease area shall be marked in accordance with U.S. Coast Guard requirements and Department of Marine Resources regulations Chapter 2.80.

4. DECISION

The Commissioner of Marine Resources grants the application of Cooke Aquaculture USA, Inc. to renew its aquaculture lease MACH II for a period of ten years, to April 30, 2022. The renewed lease is subject to the same terms, conditions, and obligations as set forth when the lease was transferred to Cooke Aquaculture Inc. on July 6, 2011.

Dated: 7.29.13



Patrick Keliher
Commissioner
Department of Marine Resources